

ANNUAL REPORT

Year Ended April 2024

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CHAIRMAN'S REPORT

The Board announces its results for the year ending 30 April 2024.

For the year ending 30 April 2024, the turnover decreased by 2.4% to £3,308,359 (2023: £3,391,219).

The loss for the year is £4,738,686 (2023: Profit of £225,191). The loss is a result of a combination of increased amortisation of £1,020,916 and impairment of £4,378,114. This Loss should be viewed in the following context.

The Company has invested in, and completed, several innovative solutions specifically designed for use by the NHS. It is well-known that the NHS has undergone a decade and more of extreme austerity that has led to a decline in both new investment and health service delivery. NHS budget constraints in health technology investment coupled with the disruption caused by Covid significantly slowed the adoption of new innovative technology solutions. It is against this background that the Directors have decided that commencement of sales revenue from these products cannot be accurately predicted and accordingly has written off, as impairment, the development cost of these products. However, the Directors remain positive that due to the growing awareness in the NHS about the power of digital technology to unlock productivity and improve patient outcomes, these solutions will ultimately become revenue producing in the near future.

There is huge pressure on the NHS to overcome the current crisis in health care delivery. In the recent past, DXS has focused its efforts on solutions that meaningfully address current NHS pressure points like the backlog in hospital referrals and the enormous human and financial cost of the rising incidents of cardiovascular disease.

The company's recently released Smart Referrals Solution is set to make an impact on speeding up referrals from primary to secondary care by improving the administrative and clinical referral workflow. Early real world evaluations show the solution slashes referral rejections and reduces patient waiting times. This offering has become even more compelling for our customers due to our recently completed integration with the NHS Electronic Referral System (ERS). This feature now allows primary care clinicians to select specific services with shorter waiting times and is a powerful benefit for patients awaiting urgent treatment.

Our SMART Referral Solution is built on a modern cloud-based technology stack that is currently being rolled-out as a replacement for our legacy Point-of-Care solution. This next generation solution will form the basis for our expansion into a wider NHS customer base and places us in a strong position to meet the requirements of the soon to be finalised NHS Digital Services for Integrated Care Framework (DSIC). The forthcoming Framework is like the now expired GPIT Futures Framework that enabled our primary care end-user customers to acquire our solution through central NHS funding.

DXS has also made significant progress in advancing its ExpertCare Hypertension Medicines optimisation solution towards full-blown commercialisation. The solution strongly aligns with the NHS' stated objective of reducing the incidence of cardiovascular disease related events such as heart attack and stroke.

Uncontrolled blood pressure is a known driver of cardiovascular disease and NHS England's objectives for 2024/25 includes increasing the percentage of patients with hypertension treated according to NICE

guidance to 80% by March 2025. Our innovative rules based AI hypertension digital solution is currently close to completing a 12-month Innovate UK funded real-world evaluation. The evaluations' interim results are highly encouraging and show strong evidence that ExpertCare could be highly effective in helping the NHS meet its blood pressure control targets. As a direct result of this evidence we have secured our first commercial order with additional prospects in our sales pipeline.

We are positive that the NHS austerity tide is beginning to turn and that soon new funding – especially in the realm of technology and AI - will become more readily available. Our view is reinforced by a recent statement by Amanda Pritchard the Chief Executive Officer (CEO) of NHS England who in a recent statement said: “Despite the challenges we face, there are real reasons for optimism. We are already putting in place the building blocks for a better future. The £3.4 billion investment of capital in data and technology – from 2025/26 onwards – announced in the Spring Budget will allow us to rollout technology and digital services to improve access, waiting times and outcomes”.

As we have previously stated, we are of the conviction, supported by evidence and enthusiastic clinician support, that our revenue will grow as adoption of our solutions gain momentum.

We remain committed to growing the revenue and profitability for our shareholders and thank you for your continued support.

Yours sincerely,



Bob Sutcliffe
Chairman

DIRECTORS

DR ROBERT SUTCLIFFE (75) – NON-EXECUTIVE CHAIRMAN

Bob Sutcliffe is a Chartered Accountant who has strong financial and leadership skills, developed in both public and private sectors. His former roles have included Finance Director, Commercial Director, Managing Director, Chief Executive and Chairman. Having run successful businesses, Bob has specialised in change management processes and company turnarounds.

DAVID IMMELMAN (68) – FOUNDER & CEO

David, together with the DXS team, remains focused on growing DXS' revenue and profitability by ensuring that the business continually strives to improve its competitive edge through establishing close working relationships with customers, understanding their needs, and responding to the market with exceptional solutions.

STEVEN BAUER (52) – COO

As a holder of the CIM Professional Postgraduate Diploma in Marketing and Pharma Mini-MBA, Steven has gained invaluable experience in the healthcare sector. Using this knowledge and skill, he leads the DXS operations in tackling the intricacies that are prevalent in this sector. Steven has continued to manage our core DXS Point of Care business operations while simultaneously managing the development of the new cloud based Aios solution.

ADVISORS AND BANKERS

SECRETARY AND REGISTERED OFFICE

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BROKERS

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REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 30 April 2024. The Chairman's statement which is included in this report includes a review of the achievements of the Company, the trading performance, financial position, and trading prospects.

DIRECTORS

The directors for the year were:

- ◆ Bob Sutcliffe – Chairman
- ◆ David Immelman – CEO
- ◆ Steven Bauer – COO

PRINCIPAL ACTIVITIES

The group's principal activities during the period were the development and distribution of clinical decision support to General Practitioners, Nurses, and Retail Pharmacies in the United Kingdom. The commercial side included the licensing of DXS to various ICBs (Integrated Care Boards) and the sale of e-detailing opportunities to the Pharmaceutical Industry.

The group continues to invest in research and development both locally and internationally and during this financial year has invested £992,828 into R&D for the introduction, continuation, and completion of new DXS solutions. These are targeted at providing clinicians with solutions to improve referring and the therapeutic management of long-term conditions. These products are aligned with the NHS strategy of Digital First and Empowering the Wider Workforce.

During the period we have repaid £457,451 on bank and third-party loans.

FINANCIAL INSTRUMENTS

The Directors believe that there is no material risk arising in respect of interest rates on loans, credit, and liquidity.

DIVIDEND

The Directors do not recommend a dividend.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and financial statements for each financial year. The directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- ◆ Select suitable accounting policies and apply them consistently.
- ◆ Make judgments and accounting estimates that are reasonable and prudent.
- ◆ State whether UK accounting principles have been followed subject to any material departures disclosed and explained in the financial statements and,
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

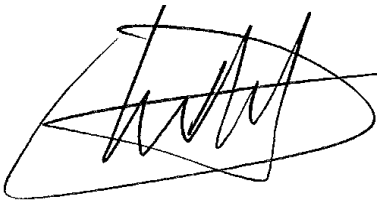
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' RESPONSIBILITIES TO AUDITORS

The directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

As far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware.

Approved by the board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'DA Immelman', enclosed within a large, loopy, hand-drawn oval shape.

DA Immelman
Director
29 October 2024

STRATEGIC REPORT

SECTION 172 REPORT

Section 172 of the Companies Act requires that a director of the Company is managing in the best interests of all stakeholders – Customers, Employees and Shareholders.

In the spirit of above, the Directors of DXS International plc, strive to maintain a reputation for high but fair standards in the best interest of its stakeholders.

Our primary focus is on our customers and here we regard our relationships and channels of communications of paramount importance. We operate in a sensitive environment, healthcare, and as such ensure that we meet all the standards required by our customers, such as Information Governance and Clinical Safety. In addition, we comply with ISO standards which assures an overarching good governance approach to all operations.

The Board is focused on delivering value for Shareholders underpinned by motivated Employees delivering above average delivery of solutions and service to Customers. In achieving the foregoing, the Company focuses on continued innovation via a policy of research and development funded through organic investment plus capital raises, as agreed at shareholder meetings, noting it raised external equity financing in the year to April 2024, as set out in Note 18 in the Financial Statements.

In our communication to Shareholders the Board is clear in terms of its short, medium, and long-term strategy and maintains an open-door approach to Shareholders seeking additional clarity on any issue. The Board releases notices on a regular basis informing Shareholders of developments in areas of business progress, non-confidential strategic decisions, and any change to company policy. Risks and opportunities are set out in this strategic review.

The Group is small and while clear management structures are in place all employees, if required, have direct access to the Executive Directors on a daily basis and, if necessary, to the Chairman. The group retains HR services to ensure the fair and equitable treatment of employees. The Company promotes a policy of promoting from within supported by training and mentorship. We encourage diverse thinking and recognise strengths and contribution to the business.

REVIEW OF THE GROUP'S BUSINESS

The Group loss for the year is £4,738,686 (2023: Profit of £225,191). The loss is a result of a combination of increased amortisation of £1,020,916 and impairment of £4,378,114. Refer to the Chairman's statement for an explanation of why the directors took the decision for this impairment.

As an accredited NHS solutions provider, DXS has well-established business continuity and disaster recovery protocols in place.

We have continued the development of our new Aios cloud-based system and are in the process of piloting this new version. In addition, we completed our IM1 integration for EMIS which has now been NHS accredited and an Innovate UK grant funded trial for our ExpertCare hypertension solution is underway.

Although the NHS remains notoriously slow in adopting new technology, our sustained efforts are seeing gained awareness of our new SMART referral and Hypertension solution which we believe will begin generating revenue in the new financial year.

Our strategy remains aligned with both the new NHS Long Term Plan and opportunities abroad.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the Company in the UK is that the NHS dramatically changes its plans or cuts its budgets. This seems unlikely, particularly with the current NHS' stated objective for clinicians to operate using digital technologies with which our new Aios and ExpertCare solutions are aligned.

Failure to achieve predicted quantities of DXS contracts, and slower development of additional revenue streams may result in revenues growing more slowly than anticipated. These may be mitigated due to the launch of market ready new products as the current situation normalises plus the first ExpertCare commercial sale.

Our plans for expansion outside of the UK mitigate this risk. Here we continue with our research and development plans to take our new Expert Hypertension solution into international markets where improved management of Hypertension and other long-term conditions are a top priority.

ANALYSIS OF BUSINESS DURING YEAR ENDING 30 APRIL 2024

Revenue was marginally down with market expectations, decreasing by 2.4%. The group showed a loss of (£4,738,686). The loss is a result of a combination of increased amortisation of £1,020,916 and impairment of £4,378,114. Refer to the Chairman's statement for an explanation of why the directors took the decision for this impairment.

FINANCIAL METRICS

- ◆ Group Revenue of £3,308,359 (2023: £3,391,219) has decreased by 2.4%. Definition: Total Group sales including distribution of clinical decision support to General Practitioners and the licensing of DXS to CCGs and healthcare publishers. Group Revenue includes the sale of medicine education slots to the pharmaceutical industry.
- ◆ Underlying Group loss after Tax was (£4,738,686). This was as a result of a combination of increased amortisation of £1,020,916 and impairment of £4,378,114. The rationale is explained under Analysis above.
- ◆ Depreciation and amortisation of deferred Research and Development expenditure and Goodwill in 2024 was £1,020,916 and in 2023 was £704,091.

- ◆ Earnings Per Share 2024 (0.7p), 2023 0.5p. Definition: Earnings per share is the underlying profit divided by the weighted average number of ordinary shares in issue.
- ◆ ROE 2024 (103%) 2023 5%. Definition: Return on Equity (ROE) is the ratio of net profit of a company to its shareholders funds. It measures the profitability of a company by expressing its net profit as a percentage of its shareholders funds which include share capital, share premium, provision for costs of share option awards and retained earnings. This drop in the ratio is mainly due to the one-off impairment charge, which rationale is explained in the Chairman's report.

CORPORATE GOVERNANCE

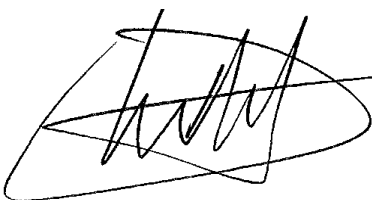
We are committed to establish, maintain, and continually improve an Integrated Management System (IMS) that conforms to relevant ISO requirements.

To achieve this objective, we commit to:

- ◆ continual improvement in our performance and services to our stakeholders.
- ◆ Identify, assess, reduce, and eliminate hazards and risks pertaining to our business.
- ◆ Set risk-based objectives and targets to meet applicable statutory, business, information security and service level obligations.
- ◆ Comply with mutually agreed quality and service level requirements of our customers.
- ◆ Develop our people and provide sufficient resources to meet our objectives and targets.

We communicate the IMS Policy to all personnel working for or on behalf of DXS to ensure that they are made aware of their individual IMS obligations.

Approved by the board and signed on its behalf by:



D Immelman

Director

29 October 2024

OPINION

We have audited the financial statements of DXS International Plc (the “Parent Company”) and its subsidiaries (the “Group”) for the year ended 30 April 2024, which comprise:

- ◆ the Group income statement and statement of other comprehensive income for the year ended 30 April 2024;
- ◆ the Group and Parent Company statements of financial position as at 30 April 2024;
- ◆ the Group and Parent Company statements of changes in equity for the year then ended;
- ◆ the Group statement of cash flows for the year then ended; and
- ◆ the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group and Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 30 April 2024 and of the Group’s loss for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included obtaining management's assessment of going concern. In performing our evaluation, we performed audit procedures as follows:

- ◆ Checking the mathematical accuracy of the model;
- ◆ Assessing management's ability to forecast accurately, which includes comparison of forecast to actual results;
- ◆ Agreeing the opening cash positions used to bank statements;
- ◆ Reviewing the impact on the forecast of the release of new products;
- ◆ Challenging the reasonableness of underlying assumptions for these forecasts whether these are consistent with our understanding of the business obtained during the audit;
- ◆ Reviewing the downside scenario and challenging management on the assumptions applied;
- ◆ Reviewing mitigating actions that could be taken by management to conserve cash; and
- ◆ Assessing the appropriateness of the disclosures made in respect of going concern and ensuring it is consistent with our knowledge of the business, the impairment assessment on intangible assets and the forecasting exercise.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OVERVIEW OF OUR AUDIT APPROACH

MATERIALITY

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £33,000 (2023: £33,000), based on 1% (2023: 1%) of the Group's turnover. Materiality for

the Parent Company financial statements as a whole was set at £11,000 (2023: £11,000) based on 2% (2023: 2%) of the Parent Company's total assets adjusted for intercompany balances.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £23,100 (2023: £23,100) for the group and £7,700 (2023: £7,700) for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Board to report to it all identified errors in excess of £1,650 (2023: £1,650). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

OVERVIEW OF THE SCOPE OF OUR AUDIT

The audits of DXS International Plc and its UK subsidiaries were conducted from the UK by the same audit team. No other components were considered to be material and were subject to analytical procedures and the direct verification of selected balances.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We set out below those matters we identified a key audit matter. We also considered going concern to be a key audit matter and our observations on this area are set out in the conclusions relating to going concern section of the audit report. This is not a complete list of all risks identified by our audit.

<i>Key audit matter</i>	<i>How the scope of our audit addressed the key audit matter</i>
<i>Carrying value of intangible assets</i> The Group's intangible assets comprise of deferred development expenditure with a carrying amount of £1,455,000 as at 30 April 2024 (2023: £5,860,209). The current year movement arose from the capitalisation of development costs relating to the costs of developing the Group's products, offset by amortisation and recognition of impairment charge. During the year, the Group has capitalised £992,828 (2023: £1,380,617) of development costs. The process for measuring and recognising impairment under FRS 102 is highly judgemental. We have therefore identified the risk that the intangible assets were impaired as a significant risk. Refer to Note 10 and accounting policies 1(b) and 1(m) of the financial statements.	For the additions in the current year, we discussed with management the current stage of development of the products, including the progress of testing carried out, to consider whether the criteria for capitalisation have been met. This included specific consideration of whether the underlying projects were technically feasible and commercially viable and hence whether it is appropriate to capitalise the costs. On a sample basis, we agreed the details of the amounts capitalised to supporting documents including timesheets for internal staff involved in the product development and invoices from external consultants engaged by the Group. We also challenged management on the capitalisation rate applied. We obtained management's assessment of impairment on deferred development expenditures and held discussions with management on the events leading to the recognition of the impairment charge and whether these events are consistent with our understanding of the business obtained during the audit. We assessed whether the remaining projects that have not been impaired are recoverable by: • Reviewing the forecasted revenue for each of the projects within the deferred development expenditure. • Considering the various projects and opportunities in the pipeline and the likelihood of them happening. • Performing sensitivity analysis on the key revenue assumptions to assess whether a reasonably likely change would result to an additional impairment charge.
<i>Revenue recognition</i> The Group enters into a range of client contract types including contracts that cover a number of months to a period of more than one year. The revenue recognition policy on the underlying contract is recognised over time where certain conditions are met. Accounting for these type of contracts requires management to make estimates which could lead to inappropriate revenue recognition by recognising sales prematurely. Refer to Note 2 and accounting policy 1(h) of the financial statements.	We designed procedures to test each different revenue stream and to consider whether the revenue recognition policy applied to the revenue stream was consistent and appropriate. Our testing in this area included understanding the processes and controls relevant to each revenue streams, assessing the design and implementation of key controls over revenue recognition, obtaining and reviewing underlying contracts, performing cut-off, agreeing to cash receipt, recalculating deferred income recognised at the year end and analytical review on fluctuation year on year.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

OTHER INFORMATION

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion based on the work undertaken in the course of our audit

- ◆ the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law and taxation legislation in the UK and South Africa in which the Group has a subsidiary.

We identified the greatest risks of material misstatement on the financial statements from irregularities, including fraud, to be override of controls by management, inappropriate revenue recognition and carrying value of intangible assets. Our audit procedures to respond to these risks included enquiries with management and those charged with governance about their own identification and assessment of the risks of irregularities, reviewing estimates for biases, corroborating revenue recognised through agreements to supporting documentation, corroborating intangible assets additions to supporting documentation, journal entries testing and ensuring accounting policies are appropriate under UK GAAP and applicable law.

Owing to the inherent limitations of an audit, there is unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Stallabrass (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

29 October 2024

FINANCIAL STATEMENTS

INCOME STATEMENT

Year ended 30 April 2024

		2024 Continuing Operations £	2023 Continuing Operations £
	Note		
Turnover	2	3,308,359	3,391,219
Cost of sales		<u>(428,212)</u>	<u>(466,722)</u>
Gross Profit		2,880,147	2,924,497
Grant income	3	136,570	-
Administration costs		<u>(2,494,510)</u>	<u>(2,261,897)</u>
Depreciation, amortisation and impairment	7		
Depreciation and amortisation		(1,020,916)	(705,253)
Impairment		<u>(4,378,114)</u>	<u>-</u>
		<u>(5,399,030)</u>	<u>(705,253)</u>
Operating Loss	4-6	(4,876,823)	(42,653)
Sundry income	8	<u>15</u>	<u>5</u>
		<u>(4,876,808)</u>	<u>(42,648)</u>
Interest payable and similar expenses	9	<u>(74,842)</u>	<u>(55,058)</u>
Loss on ordinary activities before taxation		(4,951,650)	(97,706)
Tax on loss on ordinary activities	10	<u>212,964</u>	<u>322,897</u>
(Loss)/ Profit for the year		<u>(4,738,686)</u>	<u>225,191</u>
Earnings per share-	22		
- basic		(7.4p)	0.5p
- fully diluted		<u>(7.4p)</u>	<u>0.5p</u>

The notes on pages 23-40 form part of these accounts

STATEMENT OF OTHER COMPREHENSIVE INCOME

Year ended 30 April 2024

	2024	2023
	£	£
(Loss)/ Profit for the year	(4,738,686)	225,191
Other comprehensive income	-	-
Tax on components of other comprehensive income	-	-
Total comprehensive income for the year	<u>(4,738,686)</u>	<u>225,191</u>

The notes on pages 23-40 form part of these accounts

STATEMENT OF FINANCIAL POSITION

As at 30 April 2024		Group 2024	Group 2023	Company 2024	Company 2023
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11	1,455,000	5,860,210	-	-
Tangible assets	12	1,038	1,122	-	-
Investments	13	-	-	507,954	3,486,478
		<u>1,456,038</u>	<u>5,861,332</u>	<u>507,954</u>	<u>3,486,478</u>
Current assets					
Debtors: amounts falling due within one year	14	1,115,272	791,321	196,024	18,393
Cash at bank and in hand		90,012	371,977	4,094	200,929
		<u>1,205,284</u>	<u>1,163,298</u>	<u>200,118</u>	<u>219,322</u>
Creditors: amounts falling due within one year	15	(811,205)	(865,475)	(161,124)	(239,518)
Net current assets		<u>394,079</u>	<u>297,823</u>	<u>38,994</u>	<u>(20,196)</u>
Total assets less current liabilities		<u>1,850,117</u>	<u>6,159,155</u>	<u>546,948</u>	<u>3,466,282</u>
Creditors					
Amounts falling due after more than one year	16	(345,455)	(720,446)	(99,562)	(470,042)
Deferred income	17	(1,057,276)	(848,876)	-	-
		<u>447,386</u>	<u>4,589,833</u>	<u>447,386</u>	<u>2,996,240</u>
Capital and reserves					
Called up share capital	18	211,273	159,246	211,273	159,246
Share premium		3,213,395	2,671,321	3,213,395	2,671,321
Share option reserve		11,589	21,382	11,589	21,382
Retained earnings		(2,988,871)	1,737,884	(2,988,871)	144,291
Shareholders' funds		<u>447,386</u>	<u>4,589,833</u>	<u>447,386</u>	<u>2,996,240</u>

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The company made a (loss) of £(3,145,093) (2023 – profit of £2,325) for the year.

The financial statements were approved and authorised for issue by the Board on 29 October 2024.

Signed on behalf of the board of directors

D Immelman



Director R Sutcliffe



Director

Company registration number: 06311313

The notes on pages 23-40 form part of these accounts

STATEMENT OF CHANGES IN EQUITY

Year ended 30 April 2024

Group

	Called-up share capital £	Share premium £	Share option reserve £	Retained earnings £	Total £
At 30 April 2022	159,246	2,671,321	173,808	1,360,267	4,364,642
Transfer in respect of expired options	-	-	(152,426)	152,426	-
Profit for the year	-	-	-	225,191	225,191
At 30 April 2023	159,246	2,671,321	21,382	1,737,884	4,589,833
Arising from share issue net of expenses	52,027	542,074	-	-	594,101
Transfer in respect of expired options	-	-	(11,931)	11,931	-
Cost of share options awarded	-	-	2,138	-	2,138
(Loss) for the year	-	-	-	(4,738,686)	(4,738,686)
At 30 April 2024	<u>211,273</u>	<u>3,213,395</u>	<u>11,589</u>	<u>(2,988,871)</u>	<u>447,386</u>

Company

	Called-up share capital £	Share premium £	Share option reserve £	Retained earnings £	Total £
At 30 April 2022	159,246	2,671,321	173,808	(10,460)	2,993,915
Transfer in respect of expired options	-	-	(152,426)	152,426	-
Profit for the year	-	-	-	2,325	2,325
At 30 April 2023	159,246	2,671,321	21,382	144,291	2,996,240
Arising from share issue net of expenses	52,027	542,074	-	-	594,101
Transfer in respect of expired options	-	-	(11,931)	11,931	-
Cost of share options awarded	-	-	2,138	-	2,138
(Loss) for year	-	-	-	(3,145,093)	(3,145,093)
At 30 April 2024	<u>211,273</u>	<u>3,213,395</u>	<u>11,589</u>	<u>(2,988,871)</u>	<u>447,386</u>

The cost to the company in 2024 in respect of the share issue was calculated at £36,527 which amount was charged to the share premium as it was considered to be a cost of the share issue.

An amount of £11,931 was transferred from the Share option reserve in respect of the share options expired during the year to Retained Earnings.

The cost of share options granted during the year was £2,138.

The notes on pages 23-40 form part of these accounts

STATEMENT OF CASH FLOWS

Year ended 30 April 2024

	Note	Group 2024 £	Group 2023 £
Cash flow from operating activities	19	323,384	549,803
Interest paid		(74,842)	(55,058)
Sundry income		15	5
R&D tax credit received		326,564	323,897
Net cash flow from operating activities		575,121	818,647
Cash flow from investing activities			
Payments to acquire intangible fixed assets		(992,828)	(1,380,617)
Receipts /(Payments) to acquire tangible fixed assets		(908)	361
		(993,736)	(1,380,256)
Financing activities			
Share issue proceeds		630,628	-
Share issue costs		(36,527)	
Repayment of long term loans		(457,451)	(268,792)
Advance of long term loans		-	750,000
		136,650	481,208
Net decrease in cash and cash equivalents		(281,965)	(80,401)
Cash and cash equivalents at 1 May 2023		371,977	452,378
Cash and cash equivalents at 30 April 2024		90,012	371,977
Cash and cash equivalents consists of:			
Cash at bank and in hand		90,012	371,977

The notes on pages 23-40 form part of these accounts

STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 30 April 2024

Net Debt Reconciliation

	Current Debt	Non Current Debt	Cash	Total
	£	£	£	£
At 30 April 2022	(293,132)	(331,330)	452,379	(172,083)
Cash flow	(20,354)		(80,401)	(100,755)
Non- cash flow	<u>-</u>	<u>(389,116)</u>	<u>-</u>	<u>(389,116)</u>
At 30 April 2023	(313,486)	(720,446)	371,978	(661,954)
Non - cash flow	-	374,991	-	374,991
Cash flow	<u>26,857</u>	<u>-</u>	<u>(281,966)</u>	<u>(255,109)</u>
At 30 April 2024	<u>(286,629)</u>	<u>(345,455)</u>	<u>90,012</u>	<u>(542,072)</u>

The notes on pages 23-40 form part of these accounts

Year ended 30 April 2024

1 Summary of significant accounting policies

(a) General information and basis of preparation.

DXS International PLC is a public company limited by shares incorporated in England and Wales. The address of the registered office is given in the company information on Page 4 of these financial statements.

The group's principal activities during the year were the development and distribution of clinical decision support to General Practitioners, Nurses and Retail Pharmacies in the United Kingdom and South Africa. The commercial side includes the licensing of DXS products to various ICBs, the sale of e-detailing opportunities to the pharmaceutical industry, the UK Primary Care sector and the licencing of DXS technology to healthcare publishers.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the company.

In the opinion of the Directors the group has sufficient funding to continue as a going concern for at least twelve months from the date of approval of the financial statements. Details supporting opinion are set out in Note 1(m) below.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

(b) Intangible assets

Intangible assets acquired separately from a business are capitalised at cost.

Research and development expenditure, other than specific identifiable development expenditure, is written off against profits in the year in which it is incurred.

Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Developed products are for use within the NHS and other medical institutions within both the UK and internationally. The Group is already a supplier of services to the NHS.

Goodwill arising on business combinations is capitalised, classed as an asset on the balance sheet and amortised over its useful life. The period originally chosen for writing off the current goodwill was 20 years because the directors believed that this was the period of time for the benefit to be received. The Directors reviewed the anticipated future life of the goodwill during 2020. It was considered that the anticipated future life of the goodwill would not exceed 3 years from 1 May 2020. Accordingly the Net Book Value of the goodwill at 30 April 2020 was amortised over 3 years.

Intangible assets are amortised over a straight line basis over their useful lives. The useful lives of intangible assets are as follows:

Intangible type	Useful life	Reasons
Development expenditure	5 years from the date that the specific product is completed and available for distribution	Period of time for benefit to be received

Provision is made for any impairment if the recoverable amount of the asset is less than its carrying amount, based on Directors judgement of the future revenue to be derived from each product.

The company has completed a number of projects specifically for use by the NHS. Due to NHS Budget restraints, the often unavailability of senior NHS staff members with the authority to make decisions, the continuing changing structure of the NHS, the directors have decided that commencement of sales revenue from these products cannot be accurately predicted and accordingly have written off as impairment the net book value of these products. However, with the potential restructuring of the NHS, the Directors believe that these products will be revenue producing in the future.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

(c) Tangible fixed assets

The company capitalises items purchased as Tangible Fixed Assets which have a cost in excess of £550.

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost , less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Plant and equipment 3-4 years straight line

(d) Debtors and creditors receivable/ payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administration expenses.

(e) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently they are measured at amortised cost using an effective interest rate method. If an arrangement constitutes a finance transaction it is measured at present value.

(f) Grants

Government Grants, including non - monetary grants, shall not be recognised until there is reasonable assurance that :

(a) the entity will comply with the conditions attached to them; and

(b) the grants will be received.

An entity shall recognise grants either based on the performance model or the accrual model. In the current year, the Grant has been accounted for on the accrual basis over the period in which the Group recognised the related costs for which the grant is intended to compensate.

(g) Tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Year ended 30 April 2024

(h) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policy adopted for the recognition of turnover is as follows:

Sale of services and products

Turnover is from the sale of products and services to the pharmaceutical industry and the UK Primary Care sector and is recognised over the term of service contract and is apportioned on a time basis representing the delivery of the service.

(i) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Foreign exchange gains or losses are recognised in the Income Statement.

(j) Employee benefits

When employees have rendered service to the company, short term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(k) Leases

Rentals payable under operating leases are charged to the income statement on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

(l) Share option policy

The company recognised as an expense, the fair value of share options granted over their vesting period. The fair value is calculated by applying an option pricing model.

(m) Key judgements and Key accounting estimates

The Key judgements or Key Accounting estimates with a material effect on the carrying value of assets and liabilities are set out below -.

Going concern

In regards to the going concern of the group, the directors have considered cash flow forecasts for the period to April 2026 which included a price increase. To date only a portion of this increase has been received with the remaining increase expected in the first quarter of 2025. Should this price increase be delayed as mitigation there are the new SMART Referral pipeline sales that are not included in the current cashflow. In addition to the SMART Referral sales are new potential Expertcare solution sales which are expected to be revenue generating from late 2024. The first Expertcare contract with a third party has been signed and will start generating income during December 2024. Also included are costs which, if forecasted sales are slower than anticipated, can be reduced accordingly.

Given the market potential for the new products, supported by trial results, the directors consider it appropriate to adopt the going concern basis of accounting and are satisfied that there is no material uncertainty.

Research and Development Tax credit

The Research and Development tax credit received from HMRC is not a government grant but a recognition of the costs incurred in respect of the company's research and development and is received through an adjustment to the taxable income of the company.

Impairment

As per the NHS mandate requiring NHS accredited suppliers to continue a process of innovation, the Group has invested heavily into developing new innovative solutions to meet the NHS unmet needs. However, while there is no doubt as to the potential benefits they will realise for the NHS, the slow pace at which the NHS has been, and continues to operate is frustrating. This lethargic pace has come about for a number of reasons, such as the post COVID restructuring, delays in funding renewals and more recently the GP Collective Actions which are adversely affecting times to market.

The directors have decided that commencement of sales revenue from these products cannot be accurately predicted and accordingly have written off as impairment a large portion of the cost of these products. The Directors emphatically believe that these products will be revenue producing in future years and evidence of this, although slow, exists.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

(n) Reduced disclosure

DXS International PLC meets the definition of a qualifying entity under FRS 102 paragraph 1.12(b) and has therefore taken advantage of the disclosure exemption in relation to the parent cash flow statement.

2 Turnover

The analysis of turnover by activity and geographical area is as follows:

	Group 2024 £	Group 2023 £
Sale of services and products	3,308,359	3,391,219
United Kingdom	<u>3,308,359</u>	<u>3,391,219</u>

3 Grant Income

	Group 2024 £	Group 2023 £
Income from Grants	<u>136,570</u>	<u>-</u>

4 (Loss) before taxation

(Loss) before taxation is stated after charging:

	Group 2024 £	Group 2023 £
Auditors remuneration for the audit of the company's		
- parent and consolidated audit	13,940	2,000
- subsidiary companies	24,560	29,433
Other auditors remuneration fees for		
- audit of overseas subsidiary company	2,750	2,500
Operating lease payments	79,842	85,544
Costs of share options awarded	2,138	-
(Gain) on foreign exchange	<u>(10,639)</u>	<u>(27,080)</u>

During the year, the group spent £992,828 on research and development which has been capitalised (note 11).

5 Directors' remuneration

	Group 2024 £	Group 2023 £
Directors' Remuneration	232,740	217,582
Directors' pension contributions in respect of money purchase schemes	<u>2,642</u>	<u>2,642</u>
The number of directors to whom retirement benefits were accruing under money purchase pension schemes.	<u>2</u>	<u>2</u>
Remuneration disclosed above includes the following amounts paid to the highest paid director:		
Remuneration for qualifying services	108,000	99,669
Company pension contributions	<u>1,321</u>	<u>1,321</u>

The Directors have share options as set out in Note 18

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

6 Staff costs

The average monthly number of employees,
Including directors, during the year was:

	Group 2024 Number	Group 2023 Number
Sales, Account Managers and marketing	9	10
Clinical	5	5
Deployment	4	4
Administration	14	16
Support	8	8
Quality Assurance	3	4
Content	24	24
Software Development	3	-
Project Management	1	1
	<u>71</u>	<u>72</u>

The aggregate remuneration of the 71 (2023 -72) members of staff was as follows:

	Group 2024 £	Group 2023 £
Wages and salaries	1,919,688	1,884,865
Social security	125,480	125,309
Other pension costs	20,131	20,721
	<u>2,065,299</u>	<u>2,030,895</u>

Of this amount £369,512 (2023- £523,529) was
attributable to development expenditure.

7 Depreciation and amortisation

	Group 2024 £	Group 2023 £
Depreciation, amortisation and impairment of - deferred development expenditure		
Depreciation and amortisation	1,019,924	660,645
Impairment (Note 1 (b))	4,378,114	-
- goodwill	-	43,446
- tangible fixed assets	992	1,162
	<u>5,399,030</u>	<u>705,253</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

8	Sundry Income	Group 2024 £	Group 2023 £
	Interest received	<u>15</u>	<u>5</u>
9	Interest and other finance income and expenses		
	Interest payable and similar expenses	Group 2024 £	Group 2023 £
	On bank overdrafts and secured loans	3,626	5,003
	On unsecured loans	<u>71,216</u>	<u>50,055</u>
		<u>74,842</u>	<u>55,058</u>
10	Tax		
	Tax on (loss)	Group 2024 £	Group 2023 £
	Current tax		-
	Research and Development Tax credit		
	Current tax	200,400	314,000
	Adjustment in respect of previous period	<u>12,564</u>	<u>8,897</u>
	Tax on (loss)	<u>212,964</u>	<u>322,897</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

10 Tax (continued)

Reconciliation of tax charge

The difference between the tax on profit and the profit before tax multiplied by the applicable rate of corporation tax in the UK is reconciled below:

	Group 2024 £	Group 2023 £
(Loss) before tax	<u>(4,951,650)</u>	<u>(97,706)</u>
(Loss) multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	(1,237,912)	(18,564)
Depreciation, amortization and impairment in excess of of capital allowances at the standard rate of corporation tax	1,349,757	109,876
Research and development tax credit in respect of costs incurred in the current year	(335,042)	(428,399)
Research and development tax credit - Prior year	(12,564)	(8,897)
Utilisation of losses brought forward at standard rate of corporation tax	<u>22,797</u>	<u>23,087</u>
Tax on (loss) on ordinary activities	<u><u>(212,964)</u></u>	<u><u>(322,897)</u></u>

Company

No tax was provided by the company as the company's tax losses brought forwarded exceeded the taxable income for the year. The tax loss at 30 April 2024 carried forward is £602 (2023 - £544).

Subsidiary Company

	2024 £	2023 £
Tax losses carried forward	<u>544</u>	<u>95,162</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

11 Intangible fixed assets - group

	Goodwill	Deferred development expenditure	Total
	£	£	£
Cost			
At 30 April 2023	570,104	10,485,918	11,056,022
Additions	-	992,828	992,828
At 30 April 2024	570,104	11,478,746	12,048,850
Depreciation			
At 30 April 2023	570,104	4,625,708	5,195,812
Charge for the year			
Depreciation and amortisation	-	1,019,924	1,019,924
Impairment (Note 1(b))	-	4,378,114	4,378,114
At 30 April 2024	570,104	10,023,746	10,593,850
Net book value			
30 April 2024	-	1,455,000	1,455,000
30 April 2023	-	5,860,210	5,860,210

12 Tangible fixed assets - group

	Plant and Equipment 2024 £	Plant and Equipment 2023 £
Cost		
At 30 April 2023	109,023	109,384
(Disposals)/ Additions	908	(361)
At 30 April 2024	109,931	109,023
Depreciation		
At 30 April 2023	107,901	106,739
Charge for the year	992	1,162
At 30 April 2024	108,893	107,901
Net Book Value		
30 April 2024	1,038	1,122

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Investments

Subsidiary undertakings

	Company 2024 £	Company 2023 £
Cost		
At 1 May 2023	349,037	349,036
Share in Subsidiary company acquired April 2023	-	1
Loans to subsidiaries	<u>158,917</u>	<u>3,137,441</u>
At 30 April 2024	<u>507,954</u>	<u>3,486,478</u>

Loans to subsidiaries are shown net of the impairment of £3,142,897 recognised this year. Reasons for the impairment are set out in Note 1 (m).

The subsidiary companies are -

	Class of Share	Percentage held and Voting rights	Activities
DXS (UK) Limited	Ordinary	100%	Distribution, integration and maintenance of computer software
ExpertRX Limited	Ordinary	100%	Dormant
DXS (SA) Proprietary Limited (Incorporated in the Republic of South Africa)	Ordinary	100%	Distribution, integration and maintenance of computer software
DXS Solutions Limited	Ordinary	100%	Distribution, integration and maintenance of computer software
DXS Innovation Limited	Ordinary	100%	Dormant
MyVytalcare Limited	Ordinary	100%	Dormant
Expertcare (Global) Limited	Ordinary	100%	Dormant

DXS (UK) Limited and DXS Services Limited were acquired during 2008. The other investments were acquired between 2010 and 2018 except for Expertcare (Global) Limited which was acquired in April 2022. The UK subsidiary companies registered offices are at Suite 3, First Floor, Ash House, Tanshire Park, Shackleford Road, Elstead GU8 6LB. The registered office address of the South African subsidiary is: 166 John Street, Muckleneuk, Pretoria, 0002, Republic of South Africa.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

14 Debtors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Trade debtors	811,477	425,733	116,170	-
Research and development tax credit	200,400	314,000	-	-
Costs in respect of the Innovate project	56,259	-	56,259	-
Prepayments and accrued income	47,136	51,588	19,579	15,678
VAT	-	-	4,016	2,715
	<u>1,115,272</u>	<u>791,321</u>	<u>196,024</u>	<u>18,393</u>

Included within trade debtors are balances totalling £811,477 (2023 - £425,733) that are subject to factoring arrangements. The trade debtor balances have been transferred to the counterparty, though the transaction does not qualify for derecognition on the basis that the risk for non payment is retained by the company. The associated liability recognised in creditors amounts to £166,160 (2023 - £110,557).

15 Creditors: amounts falling due within one year.

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Bank loan secured over trade debtors	166,160	110,557	-	-
Loans repayable within one year	120,469	202,929	120,469	165,012
Trade creditors	130,805	130,662	17,373	23,225
Other tax and Social security	42,237	52,038	-	-
Other creditors	81,522	38,028	-	-
Loans from directors and senior staff (Note 23)	142,264	140,195	-	-
Accruals	127,748	191,066	23,282	51,281
	<u>811,205</u>	<u>865,475</u>	<u>161,124</u>	<u>239,518</u>

16 Creditors: amounts falling due after more than one year.

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Other loans	144,761	169,741	-	-
Bank loans 2 and 5	120,031	220,042	99,562	220,042
Bank loan 4 repaid in year	-	250,000	-	250,000
Other creditors	80,663	80,663	-	-
	<u>345,455</u>	<u>720,446</u>	<u>99,562</u>	<u>470,042</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

16 Creditors: amounts falling due after more than one year(continued).

The terms of the Other loans are -

Loan 1	£41,136	The loan has no fixed date for repayment. Interest at a fixed rate of 12% pa is paid monthly on the loan.
Loan 3	£124,903	The capital amount is repaid monthly at £1,706 per month until 31 October 2026. The remaining balance of the loan will be repaid on 31 October 2026. Interest is paid monthly on the loan at a fixed rate of 12% pa.

The terms of the Bank loans are -

Bank loan 2	-	The CBILS Bank loan was repaid in May 2023. The loan had an interest rate of 5% pa.
Bank Loan 4	£250,000	Repaid during the year
Bank Loan 5	£220,042	Secured over the assets of the Group. The loan has an interest rate of 7.03% pa. The capital sum is repayable at £8,333 per month. Subsequent to the year end the capital repayment sum has been reduced to £3,648 per month. The loan is to be repaid over 4 years commencing August 2024.

The terms of the Other creditors are -

Advances	£80,663	The advances are unsecured and bear no interest. The advances will not be repaid within 1 year.
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The loans are payable as follows -

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Years 1-2	120,031	663,783	99,562	470,042
Year 3- 5	225,424	56,663	-	-
	<u>345,455</u>	<u>720,446</u>	<u>99,562</u>	<u>470,042</u>

17 Deferred income

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Balance bought forward	848,876	746,676	-	-
Released during year	(848,876)	(746,676)	-	-
Deferred during the year	1,057,276	848,876	-	-
Balance carried forward	<u>1,057,276</u>	<u>848,876</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

18 Share capital

	Group 2024	Group 2023 £	Company 2024	Company 2023 £
Allotted, called up and fully paid				
64,022,124 (2023 - 48,256,416) ordinary shares of £0.0033 each	<u>211,273</u>	<u>159,246</u>	<u>211,273</u>	<u>159,246</u>

The company issued 15,765,708 ordinary shares of £0.0033 per share at an issue price of £0.04 per share on 19 May 2023 as set out below-

DXS International Plc issued 12,500,000 ordinary shares on 19 May 2023 at 4p per share, raising £500,000 before expenses in order to fund the development and marketing of the new products developed over the past years.

DXS International Plc issued 3,265,708 ordinary shares on 19 May 2023 at 4p per share, to directors and senior staff as a debt to equity swap. The loan amount converted was £130,628.

As part of the May 2023 fund raising, the company issued 750,000 options to Hybridan LLP which may be exercised over 5 years, with an exercise price of 4p per share, before 19 May 2028.

Mr D Papworth of City and Merchant has a warrant of 296,456 ordinary shares at an exercise price of £0.26 per share. The warrant was granted on 31 July 2008 and is exercisable at his discretion prior to 31 July 2023. The warrant expired during the period.

Mrs Lyle (wife of Mr T Lyle of City and Merchant) has a warrant of 296,456 ordinary shares at an exercise price of £0.26 per share. The warrant was granted on 31 July 2008 and is exercisable at her discretion prior to 31 July 2023. The warrant expired during the period.

Hybridan LLP were granted an option on 26 February 2020 over 748,500 shares at an exercise price of 12p per share.

There were 1,498,500 (2023 - 1,341,412) potential dilutive ordinary shares in issue during the period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

18 Share capital (continued)

	Group 2024 £	Group 2023 £
A summary of the share options above is shown in the table below-		
Outstanding at the beginning of the period	1,341,412	5,241,412
Granted during the period	750,000	-
Forfeited during the period	-	-
Exercised during the period	-	-
Expired during the period	(592,912)	(3,900,000)
Outstanding at the end of the period	<u>1,498,500</u>	<u>1,341,412</u>
Summary of options granted		
Directors	-	-
Other	<u>1,498,500</u>	<u>1,341,412</u>

The company recognised as an expense, the fair value of share options granted over their vesting period. The fair value is calculated by applying an option pricing model.

As part of the 2020 fund raising, the company issued 748,500 options to Hybridan LLP which may be exercised over 5 years, with an exercise price of 12p per share, before 26 February 2025.

As part of the 2023 fund raising, the company issued 750,000 options to Hybridan LLP which may be exercised over 5 years, with an exercise price of 4p per share, before 26 February 2028.

There were 1,498,500 (2023 - 1,341,412) potential dilutive ordinary shares in issue during the period.

Factors affecting the model are : expected volatility, exercise price, weighted average share price, option life and risk free interest rate. In respect of options granted by the company –

- use of the Black Scholes calculator as the option pricing model,
- an average share price over the previous 104 weeks.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

19 Reconciliation of (Loss) to cash flow from operating activities

	Group 2024 £	Group 2023 £
Operating loss	(4,876,823)	(42,653)
Depreciation of tangible fixed assets	992	1,162
Amortisation and impairment of intangible fixed assets	5,398,038	704,091
Cost of share options awarded	2,138	
(Decrease) in debtors	(437,551)	(98,619)
Increase/ (Decrease) in creditors	28,190	(116,378)
Increase in deferred income	208,400	102,200
Cash flow from operating activities	<u>323,384</u>	<u>549,803</u>

20 Financial Instruments

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Cash at bank and in hand	90,012	371,977	4,094	200,929
Financial assets that are debt instruments measured at amortised cost	<u>1,011,877</u>	<u>739,733</u>	<u>4,016</u>	<u>2,715</u>
	<u>1,101,889</u>	<u>1,111,710</u>	<u>8,110</u>	<u>203,644</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>1,114,423</u>	<u>1,533,883</u>	<u>260,686</u>	<u>709,560</u>

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, loans, and accruals.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

21 Related party transactions

The company has taken advantage from the requirement not to disclose transactions with group companies on the grounds that consolidated financial statements are prepared.

Other transactions during the year were -

	2024	2023
	£	£
Consultancy fees paid to service companies owned by a relative of a director	67,983	42,738
Remuneration paid to directors' wives employed by the group	<u>39,485</u>	<u>72,984</u>

22 Earnings per share

The Basic earnings per share in the period ended 30 April 2024 is calculated by dividing the consolidated (loss) of £(4,738,686) attributable to equity holders in the company by the weighted average number of ordinary shares in issue during the period of 64,022,124 £0.0033 shares.

There were no options in issue through the period that were dilutive and so the basic earnings per share is the same as the diluted earnings per share.

23 Financial commitments

Leasing arrangements

Group

	Non-cancellable operating leases	Non-cancellable operating leases
	2024	2023
	£	£
<i>UK Leases</i>		
Within one year	43,370	84,994
Within 1-5 years	<u>162,638</u>	<u>148,388</u>
	<u>206,008</u>	<u>233,382</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2024

23 Financial commitments Leasing arrangements (continued)

Company

	Non- cancellable operating leases 2024 £	Non- cancellable operating leases 2023 £
Within one year	43,370	63,394
Within 1-5 years	162,638	126,788
	<u>206,008</u>	<u>190,182</u>

24 Control

The directors consider that there is no ultimate controlling party.

These group accounts are available to the public from
Hybridan LLP, Birchin Court, 20 Birchin Lane, London EC3V 9DU.